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# GAIN Report

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## Venezuela

### Agricultural Situation

### Rice Plants Controlled

**2009**

**Approved by:**

Randall Hager  
U.S. Embassy

**Prepared by:**

Luis Mulet

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**Report Highlights:**

On February 28, President Hugo Chavez ordered the National Guard to intervene in Venezuelan rice processing plants to ensure they produce at full capacity and provide a sufficient amount price-controlled white rice.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Caracas [VE1]  
[VE]

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## Executive Summary

On February 28, President Hugo Chavez ordered rice processors be inspected by government officials to ensure that they were producing a sufficient amount of price-controlled white table rice. According to law, consumer rice prices are held to 2.33 Bolivars per kilogram, about ½ the cost of production according to industry sources. A recent decree now requires 80 percent of all rice to be sold under controlled prices, a significant shift away from the current market situation where most rice is sold as flavored or premium at higher prices. By way of background, the government imposed price caps on many basic foodstuffs including chicken, rice, and sugar in 2003.

For additional information on the decree, please see GAIN VE9019.

## Rice Plants Seized

On Saturday, President Chavez ordered the National Guard commander and other government officials to monitor all companies that process rice in Venezuela. According to Vice Minister of Agriculture Richard Canan, some plants have been operating at less than 50 percent capacity in violation of federal regulations, and other officials have noted that rice is being sold at prices above regulation. Minister Canan said the government would guarantee maximum output at the plant. According to Eduardo Saman head of the country's consumer protection agency (Indepabis), seizures could last three months.

Sources: Leading Dailies and public statements